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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/359,686	07/23/1999	ROBERT SCOTT NIEBOER	2907-101P	3177

7590 02/11/2002

ANTHONY LAWS BIRCH  
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[REDACTED] EXAMINER

THOMPSON JR, FOREST

[REDACTED] ART UNIT

[REDACTED] PAPER NUMBER

2165

DATE MAILED: 02/11/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

*Supplemental*  
**Notice of Allowability**

	Application No.	Applicant(s)
	09/359,686	NIEBOER ET AL.
	Examiner Forest O. Thompson Jr.	Art Unit 2165

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1.  This communication is responsive to amendment C.
  2.  The allowed claim(s) is/are 1-44.
  3.  The drawings filed on 04 January 2002 are accepted by the Examiner.
  4.  Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    - a)  All
    - b)  Some\*
    - c)  None
 of the:
    1.  Certified copies of the priority documents have been received.
    2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3.  Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).
- \* Certified copies not received: \_\_\_\_\_.
5.  Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
    - (a)  The translation of the foreign language provisional application has been received.
  6.  Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application. **THIS THREE-MONTH PERIOD IS NOT EXTENDABLE**

7.  A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
8.  CORRECTED DRAWINGS must be submitted.
  - (a)  including changes required by the Notice of Draftsperson's Patent Drawing Review ( PTO-948) attached
    - 1)  hereto or 2)  to Paper No. \_\_\_\_\_.
  - (b)  including changes required by the proposed drawing correction filed \_\_\_\_\_, which has been approved by the Examiner.
  - (c)  including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No. \_\_\_\_\_.

**Identifying Indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the top margin (not the back) of each sheet. The drawings should be filed as a separate paper with a transmittal letter addressed to the Official Draftsperson.**

9.  DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

- |  |  |
|--|--|
| <input type="checkbox"/> Notice of References Cited (PTO-892)<br><input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)<br><input checked="" type="checkbox"/> Information Disclosure Statements (PTO-1449), Paper No. _____.<br><input type="checkbox"/> Examiner's Comment Regarding Requirement for Deposit of Biological Material | <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)<br><input type="checkbox"/> Interview Summary (PTO-413), Paper No. _____.<br><input type="checkbox"/> Examiner's Amendment/Comment<br><input checked="" type="checkbox"/> Examiner's Statement of Reasons for Allowance<br><input type="checkbox"/> Other |
|--|--|

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**SUPPLEMENTAL**

**DETAILED ACTION**

***Response to Amendment***

1. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action (See Paper No. 2). The text of those sections of Title 35, U.S. Code not otherwise provided in a prior Office action will be included in this action where appropriate.
  
2. The amendment (amendment C - see Paper #9) filed on 01/04/2002 under 37 CFR 1.312 has been entered. Amendment C amended claim 44 to delete one word from the Claim Preamble. The amendment is acceptable to the examiner.
  
3. **Claims 1-18 and 20-44 are allowed.**

***Drawings***

4. New formal drawings were received on 04 January 2002. These drawings are acceptable to the examiner.

***Allowable Subject Matter***

5. The following is an examiner's statement of reasons for allowance:

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Applicant's invention presents a network and workstation for conditional trading of items, such as securities and contracts. The key elements, which are specified in all of the independent claims #'s 1, 24, 41, and 44, which differentiate the invention over prior art, are:

- a security instrument or item input by the system administrator in the form of an algorithm with constraints thereon,
- a variable number of trader terminals for entering an order for a security instrument that represents a willingness to transact the algorithm,
- a price set forth within an order is represented as an algorithm with constraints thereon,
- the price for the trade of one security (or item) is a dependent variable of the algorithm within the constraints,
- dynamically changing a price of another security is an independent variable of the algorithm within the constraints,
- the price as the dependent variable being continuously changeable responsive to changes in price of the independent variable, and
- the algorithm representing a buy or sell order.

Prior art discloses some of the aspects or properties of the invention, as well as the aspect of buyers defining contract terms(**Shepherd** [U.S. Patent No. 6,134,53], col. 9 lines 20-22), whereas the invention does not allow buyers to define contract terms; system administrators pre-define and input the securities and contracts (see Paper #7, pg. 9, 3rd para.). Prior art does not

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disclose or suggest the features as disclosed in applicant's invention and stated in all of the independent claims 1, 24, 41, and 44.

Applicant's and examiner's amendments make the invention unique and distinct over prior art. Prior art of record includes:

- **Shepherd** (U.S. Patent No. 6,134,536) discloses methods and apparatus which deal with the management of risk relating to specified, yet unknown, future events;
- **Borgato** (U.S. Patent No. 5,950,178) discloses representations of stock market activity may be represented on a graphics computer monitor/screen for monitoring activity related to stocks and the market;
- **Williams et al.** (U.S. Patent No. 5,999,918) discloses a computer interface system that includes interactive interface controls as well as aural and kinetic interface controls to assist in educating a user, in profiling a user, and in controlling and monitoring the implementation of actions involving probabilistic distributions;
- **Wiseman** (U.S. Patent No. 5,168,446) discloses a system is provided for processing spot trades in selected commodities among a group of trading stations in a communication network through a series of structured stages;
- **Ferstenberg et al.** (U.S. Patent No. 5,873,071) discloses, in a preferred embodiment, this invention includes software processes distributed on one or more computer systems that exchange

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messages in order to facilitate an intermediated exchange of financial commodities between a plurality of participants;

- Kull, David; Keough, Lee; "The house of games;" Computer Decisions; v20, n8, pg. 43(11); August 1989, discloses the New York Stock Exchange tries to change computer-triggered trading schemes and restore investor confidence after the October 19, 1987 stock market collapse;
- Scholdorf (EPO Patent No. 0 411 748 A2) discloses a risk control matching system for trading instruments, such as foreign exchange currencies, in which bids are automatically matched against offers for given trading instruments;
- Lupien (EPO Patent No. 0 401 203) discloses an automated system for managing one or more large investor portfolios containing both cash and numerous, diversified securities in a real time environment providing liquidity to the securities markets while maintaining predetermined portfolio objectives for each portfolio;
- "State Street and the Boston Stock exchange Announce Exclusive Agreement On State Street's Bond Connect in the United States;" Business Editors; 19 August 1998; discloses limitations in the traditional trading environment by offering investors the ability to formulate orders linked to portfolio strategy; and

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- Lee, Charles M.C.; "Market integration and price execution for the NYSE-listed securities;" Journal of finance; v48; n3; pg. 1003(30); July 1993; discloses, for NYSE listed securities, the price execution of seemingly comparable orders differs systematically by location.

6. Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

*Conclusion*

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Forest Thompson whose telephone number is (703) 306-5449. The examiner can normally be reached Monday-Friday from 7:00 AM to 3:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins, can be reached at (703) 308-1344.

The fax numbers for the organization are as follows:

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After Final: (703) 746-7238

Official: (703) 746-7239

Non-Official/Draft: (703) 746-7240

Any inquiry of a general nature or relating to the application or processing should be directed to the receptionist whose telephone number is (703) 305-3900.

February 5, 2002 /FOT

  
WYNN COGGINS  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100